Economics 100: Economics for the Citizen
Spring 2024

Meeting times and place:

Mondays and Wednesdays, 9:00-10:15am, Planetary 212.

Instructor:

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Teaching assistant:

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Office hours: (via zoom, please email ahead of time) Mondays, 10:15am-noon, and by appointment.

Class Attendance: Except for exam days, class attendance is optional. I have posted lectures from a previous year's class on Dropbox and on YouTube. The lectures should be very similar to the ones I present in class. Even though those lectures were for a previous year's class, the substantive content (that is, the stuff dealing with economics) is the same for this year's class. However, much of the administrative content is not the same. For instance, just about every date that I mention in the videos (eg the date of the final) is wrong. In these cases, go by the syllabus, not what I say in the video. Further, in some of the videos I say that the homework is optional. That is not true. You will have required homework assignments (which I explain later in this syllabus.)

YouTube: You can access the lectures from a previous year via Tim Groseclose's YouTube channel: https://www.youtube.com/channel/UCM8CDPrUMz99PjzKTI4fynA

Dropbox: You should receive an email inviting you to access the class's Dropbox account. (If not, please email the t.a. or instructor). There, you can access videos of lectures from a previous year (the same lectures that will be on YouTube). You will also be able to access various documents for the class. **You do not need to pay any money to access Dropbox.** If Dropbox asks you to upgrade to any sort of premium account, you do not need to do this. Nor do you need to pay any money to Dropbox. In the past, students have sometimes had trouble accessing Dropbox. Often the problem was solved by clicking on the three dots in the upper right side of the web site. Sometimes the problem involved a pop-up in which Dropbox tries to fool you into

upgrading to a premium package. If you pretend to be interested—that is, by clicking on the first box or two or three that asks you to upgrade (but don't do anything like give a credit card number)---that often works to get rid of the pop-ups and allow you to access the class's Dropbox account.

Textbook: Paul Heyne, Peter Boettke, and Dave Prychitko, *The Economic Way of Thinking*, 13th Edition (Prentice Hall). The 12th edition of the textbook is a good substitute, except the homework problems are not quite the same, and perhaps more important, are not numbered the same as the 13th edition. If you want to buy the 12th edition but photocopy the homework problems from, say, a friend's 13th edition, that is fine.

Homework and Exam Weights: Your final grade for the course will be determined by your performance on the examinations and homework. The average of your homework grades will comprise 20% of your grade. Each of the two mid-term exams will comprise 25% of your grade. And the final exam will comprise 30% of your grade.

Grading Scale: 99-100, A+; 92-97, A; 90-91, A-; 88-89, B+; 82-87, B; 80-81, B-; 78-79, C+; 72-77, C; 70-71, C-; 60-69, D. Below 60 is an F. These numbers are firm. If the weighted average of your three exam grades is 89, you will have earned a B+ for the course – not an A-. Please do not ask me to raise your grade. I never grant such requests. (Yes, I do round. For example, if your final weighted-average grade is 69.5, you've earned a C- for the course, but if your final weighted-average grade is 69.49, you've earned a D, and that's the grade that I will report.)

Challenging Exam Grading: If I committed an arithmetical error in calculating your exam grade, please notify me as soon as you discover the error. I will correct the mistake immediately. Otherwise, any objections you have to the way I grade your exams must be expressed to me in writing. Submit to me a typed paragraph or two explaining why you believe that your answer deserves more credit than I gave it. If you do this, however, I (or more likely, a previous year's t.a.) will re-grade your entire exam. It is possible that the re-grade will lower your score.

Early and Late exams: With few exceptions, you must take the exam at the required time. To take it late, you must have been hampered by an illness or a death in your family. I will require proof such as a doctor's note or funeral program. If you miss the exam for any other reason, I'll allow you to take it late, but I will re-write questions and deduct 30 points from your score. In addition, to take an exam late – whether excused or not – you must send me an email within 24 hours of the exam, notifying me that you missed the exam and why you missed it. Without such an email, you cannot take a make-up exam.

To take the exam early, you must have a good excuse. Basically, the only allowable excuses will involve another course or an official GMU event – eg a varsity athletic competition. Other excuses – e.g. "My boss required me to work" or "I had to attend my sister's wedding" – are not allowable. If you take the exam early, I will strongly prefer – and may require – that you take the exam earlier on the day of the exam. This will most likely be 7:45am. To take the exam early, you must send me a written request at least five days before the scheduled beginning of the exam.

Brown M&M's: The rock band Van Halen used to specify in its contract with concert promoters that the promoter must provide M&M's in the backstage area but "Warning: Absolutely no brown ones." The lead singer, David Lee Roth, explained that the provision was a check to see if the promoter actually read the contract. The band had an intricate stage and sound design. As Roth explained, "'If I came backstage, having been one of the architects of this lighting and staging design, and I saw brown M&Ms on the catering table, then I guarantee the promoter had not read the contract rider, and we would have to do a serious line check" of the entire stage setup,

Tentative Schedule and Topics:

Date	Session	
8/21	1	Ch. 1 - The Economic Way of Thinking
8/23	2	Ch. 2 - Efficiency, Exchange, and Comparative Advantage
8/28	3	Ch. 2, cont.
8/30	4	Ch. 3. - Demand: Substitutes Everywhere
9/6	5	Ch. 3, cont.
9/11	6	Ch. 4 - Costs and Choice
9/13	7	Ch. 5 - Supply and Demand
9/18	8	Ch. 5, cont.
9/20	9	Ch. 6 - Unintended Consequences
9/25	10	Ch. 7 - Profit and Loss
9/27	11	Ch. 7, cont.
10/2	12	1st Midterm
10/4	13	Ch. 9 Competition and Government Policy
10/10	14	Ch. 10 - Externalities and Conflicting Rights
10/11	15	Ch. 10, cont.
10/16	16	Ch. 11 - Markets and Government
10/18	17	Ch. 11, cont.
10/23	18	Ch. 12 - The Distribution of Income
10/25	19	Ch. 12, cont.
10/30	20	Ch. 13 - Measuring the Overall Performance of the Economy
11/1	21	Ch. 13, cont.
11/6	22	Ch. 14 - Money
11/8	23	Ch. 14, cont.
11/13	24	2nd Midterm
11/15	25	Ch. 15 - Economic Performance and Real-World Politics
11/20	26	Ch. 15, cont.
11/27	27	Ch. 16 – The Wealth of Nations
11/29	28	Review

Final Exam 12/11, 7:30am-10:15am

Homework Assignments: During the course, you will be required to complete about a dozen homework assignments. For each, I will usually assign 1-3 mandatory questions, plus some additional optional questions. You must answer all the mandatory questions, plus you must write at least 2/3 of a page (approximately 150 words) answering mandatory and optional questions. For instance, suppose for a particular chapter I assign questions 2 and 3 (at the end of the chapter) as mandatory questions and assign questions 4, 5, and 6 as optional questions. Then you must write answers for questions 2 and 3. Suppose those answers filled only 1/3 of a page. Then you would need to fill at least another third of a page with answers from questions 4, 5, and 6. You don't need to answer all the optional questions. For example, suppose your answer to question 4 filled 1/3 of a page. If so, you would not need to answer questions 5 and 6.

Your assignment is due by 9am on the session day that I specify. For instance, as the table below notes, Assignment 1 is due on session 3. This means it is due before 9am on Aug. 29.

The assignments must be turned in through Blackboard—specifically, through the assignments tab located in the course menu for this course on Blackboard. There you will find submission links for each assignment that you are required to complete. **Assignments must be submitted in either PDF or MS Word Format**. Please do not send a photo of the assignment – if you do, we will deduct points. Note below the questions that are assigned for each homework assignment and the session on which it is due.

If you need help navigating Blackboard, please email the teaching assistant. See above for his or her email address.

It is fine if you consult others, including fellow students, for help on the assignments. You may not, however, copy answers. If you rewrite another student's answers in your own words, that will be okay.

You are also encouraged to email me (timgroseclose@gmail.com) or the teaching assistant if you need help.

You will receive 70 points if you (i) write at least 2/3 of a page, (ii) turn in the assignment on time, and (iii) and give an honest effort at trying to answer the questions correctly. We will grade the mandatory questions for accuracy. You will receive up to 30 additional points for writing correct answers on these questions. If you are late in turning in an assignment, you can still turn it in – anytime before the last session of class. However, if you are late, we will multiply your grade by .7.

After the assignment is due, I will post a video *on Dropbox* (but not on YouTube) of me explaining the answers.

The following table lists the homework assignment number, the chapter that the assignment covers (from the course's textbook), the session number on which it is due, the mandatory questions, the optional questions, and the file of the video in which I explain the answers.

HW#	Ch.	Sess. Due	Mandatory Questions	Optional Questions	Video that will explain the answers
1	2	3	1,13,14f,14g,14i*(see ft note)	3,5,8,11,15	3.d and 3.e
2	3	5	6,11	14,18,23d,24	5.c
3	4	6	21a,21b	2,7,16,22a,22b	6.c (& see 6a)
4	5	8	6e,6i	6a,6c,6d,8,9	8.c (& see 7c)
5	6	9	12	1,10a,14b,14d,14e	9.d
6	7	11	13	1a,1b, 14a	11.b,11.c (& see 10e)

(I'll give you a break on Ch. 9. No homework.)

HW#	Ch.	Sess. Due	Mandatory Questions	Optional Questions	Video that will explain the answers
7	10	15	6a,6b,20	5,11,13a&b,23a	15.a,15.c
8	11	17	19	3a,3b,8a8b,10b,11,15	17d (& see 17c)
9	12	19	8,15a,15b	1a-c,3,5,13a,13b	19e (& see 18d)
10	13	21	10,16,21,22	1,2,4,6,13,14,16,23	21c,21d (& see 20e)
11	14	23	3b,4a	6a,8,9b ,12b	22e, 23c
12	15	26	See footnote†	3,6,8,9,16a,16b	26e,26g

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* There is no question 14.i in the textbook. Instead, define it as follows: "Suppose Gomer produces and consumes 100 bushels of corn and 100 bushels of strawberries. Suppose Goober produces and consumes 50 bushes of corn and 25 bushels of strawberries. Specify new amounts of production for Gomer and Goomer, and specify a trade between them, so that both are better off – ie. both consume more corn and more strawberries than before."

† A. Suppose an anti-Keynesian economist makes the following argument. "Government stimulus only transfers goods from one area of production to another. It doesn't add to the total amount of goods. Government stimulus is like firewood. If the government takes firewood from one household and delivers it to another, this does nothing to change the total energy that the firewood can release." In one or two sentences describe how, at least according to your professor, a Keynesian economist would respond.

B. You watched a video in which two actors, playing economists from the 1930s, enter a congressional hearing. A security guard allows the first economist to enter but then hassles the second economist and asks for his I.D. What's the name of that economist?

C. What's the name of the person who played the security guard (and also the limo driver in the first video)? What's his normal job?

D. A school of economic thought emphasizes that there is no substitute for saving—that is, if a country wants to maximize its prosperity, its citizens must forego present consumption for future consumption. In contrast, some opposing schools of economic thought suggest that monetary stimulus can serve as a good substitute for saving. The first school is named after a European country. What is that economic school of thought?

E. What did Keynes mean by the phrase "animal spirits"?